

Message Text

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73

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02 PRS-01 USIE-00

SSO-00 NSCE-00 INRE-00 ARAE-00 /091 W

----- 128778

O 112012Z MAR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 7944

UNCLAS CARACAS 2715

EO 11652: N/A

TAGS: ENRG EINV VE

SUBJ: OIL NATIONALIZATION BILL GOES TO CONGRESS

REF: A. CARACAS 2619 B. CARACAS 885 C. CARACAS A-275

1. FOLLOWING REGULAR WEEKLY CABINET MEETING THIS MORNING, MARCH 11, MINISTER OF MINES AND HYDROCARBONS VALENTIN HERNANDEZ WILL DELIVER DRAFT OIL NATIONALIZATION LAW TO DR. GONZALO BARRIOS, PRESIDENT OF THE NATIONAL CONGRESS. HERNANDEZ TOLD REPORTERS THAT PRESIDENT PEREZ WILL EXPLAIN THE BASIC SCHEME OF THE BILL TO CONGRESS WHEN HE PRESENTS HIS ANNUAL REPORT MARCH 12.

2. TEXT OF DRAFT BILL WHICH CONGRESS IS RECEIVING TODAY HAS BEEN PUBLISHED IN MAJOR CARACAS DAILES. QUICK COMPARISON WITH DRAFT GIVEN TO PRESIDENT PEREZ BY REVERSION COMMISSION TWO MONTHS AGO (REF C) INDICATES MODIFICATIONS WERE MADE DURING REVIEW BY ADMINISTRATION AND AD PARTY CENTRAL COMMITTEE.

3. REVISED DRAFT SETS 120 DAY TIMETABLE FOR TERMINATION OF CONCESSIONS

AFTER BILL BECOMES LAW. OIL INDUSTRY TO BECOME PUBLIC UTILITY. NEW
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DRAFT APPEARS TO GIVE MORE FLEXIBILITY IN IMPLEMENTING NATIONALIZATION

AND GREATER CONTROL OF INDUSTRY AFTER NATIONALIZATION TO NATIONAL EXECUTIVE (READ PRESIDENT PEREZ) AND LESS TO THE NATIONAL CONGRESS THAN

REVERSION COMMISSION ORIGINALLY INTENDED. FOR EXAMPLE, SUPERVISORY COMMISSION TO HAVE ONLY TWO REPRESENTATIVES OF CONGRESS RATHER THAN FOUR.

4. TOGETHER WITH SUBMISSION OF DRAFT BILL TO CONGRESS, THERE IS A CONCURRENT EFFORT BEING MOUNTED BY ADMINISTRATION AND AD PARTY MEMBERS IN CONGRESS TO RALLY SUPPORT OF OPPOSITION POLITICAL PARTIES FOR NEW VERSION OF BILL.

5. EMBASSY WILL FORWARD TEXT OF BILL WITH ANALYSIS, AS WELL AS PEREZ EXPOSITION HE WILL GIVE CONGRESS AND NATION TOMORROW.
MCCLINTOCK

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Message Attributes

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